

CIRCULAR LETTER

To

ALL RURAL CREDIT BANKS

IN INDONESIA

Concerning : Certifying Institution for Rural Credit Banks

With the issuance of Bank Indonesia Regulation Number 6/22/PBI/2004 dated August 9, 2004 concerning Rural Credit Banks (the State Gazette of the Republic of Indonesia of 2004 Number 80, Supplement to the State Gazette Number 4409), it is deemed necessary to stipulate the provisions of implementation of the Certifying Institution for Rural Credit Banks (BPR) in a Circular Letter that conveys the following provisions:

I. GENERAL PROVISIONS

1. Rural Credit Banks, which hereinafter shall be read as BPRs, are the Rural Credit Banks that conduct their business conventionally as referred to in Article 1 number 4 of the Act Number 7 of 1992 concerning Banking as amended by the Act Number 10 of 1998.
2. A Professional Certifying System for BPR, which hereinafter be read as Certifying System, is a string of activities conveying the organization of standard for training curriculum, accreditation for the trainers and the Training Institution, making decision on the organization of the training, organization of the training, granting the certificate of graduation, and revoking the accreditation and certificate.
3. The Certifying Institution is an organization that engages in the organization and regulation of the Certifying System, and has acquired a validation from

the authority based on Bank Indonesia recommendation.

4. The Training Institution is an organization that conducts the assigned certifying training and testing and has been accredited from the Certifying Institution.
5. The Certifying Board is the highest organization with the authority to determine the policies in the Certifying Institution.
6. The National Curriculum Committee is a committee that is assigned to give support to the Certifying Board to conduct research and curriculum development in order to improve the quality of the Certifying System.
7. The Management is a body that organizes all day-to-day activities of the Certifying Institution.

II. CERTIFYING INSTITUTION FOR BPR

1. Objectives and Requirements for the Certifying Institution.
 - a. The objectives for establishing the Certifying Institutions are:
 - 1) To ensure the quality of the Certifying System;
 - 2) To ensure the implementation of the Certifying System; and
 - 3) To improve the quality of performance and professionalism of BPR's human resources.
 - b. The requirements that must be fulfilled by the Certifying Institution are:
 - 1) Having a vision and missions to improve and develop human resources in BPRs to support the creation of a sound, healthy and efficient industrial condition for the BPRs;
 - 2) Constituting the minimum bodies that consist of:
 - a) Certifying Board, with minimum members as follows:
 - i. Bank Indonesia qq. The Directors that conduct the supervision on the Rural Credit Bank
 - ii. The Chief of Rural Credit Bank Association.
 - b) National Curriculum Committee, with expert members at economics, finance, banking and National law.
 - c) Management with the minimum units of:

- i. Material and System Standardization Unit;
- ii. Certification, Accreditation and Testing Unit;
- iii. Finance Unit; and
- iv. General, Law and Information Unit.

3) Having and conducting its duties based on its competence and commitment to manage, determine, and organize the Certifying System that includes but not limited to:

- a) Setting the necessary curriculum standard on the training for the instructors and BPR human resources;
- b) Preparing training partnership if needed;
- c) Setting the accreditation standard for the trainers and Training Institution;
- d) Giving approval for the arrangement of training organized by the Training Institution for both the trainers and BPR human resources;
- e) Preparing the material and testing schedule;
- f) Granting certificates of graduation for the participants in the test that reach the passing grade qualifications;
- g) Setting the code of practices of the Certifying System;
- h) Revoking a certificate of a member of the Directors who has failed in the fit and proper test, based on the information given by Bank Indonesia;
- i) Reporting the holder of the revoked certificate of graduation to Bank Indonesia;
- j) Conducting research and development for the Certifying System.

2. The Duties of Certifying Institutional Body

- a. The duties of the Certifying Board includes but not limited to:
 - 1) Ensuring the implementation of Certifying System and all its policies and procedures determined by the Certifying Institution in order to achieve the aims and objectives of the Certifying

Institution;

- 2) Conducting the evaluation and giving approval on the suggestions from the National Curriculum Committee concerning curriculum modification, identification of training needs and new training modules;
 - 3) Conducting the evaluation on the management performance in the Training Institution.
- b. The duties of the National Curriculum Committee consist of but not limited to:
- 1) Arranging curriculum modification;
 - 2) Identifying training needs and new training modules.
- c. The obligations of the Management consist of but not limited to:
- 1) Arranging the regulations, management and procedures for the implementation of the Certifying Institution and Certifying System policies that have been approved by the Certifying Board.
 - 2) Ensuring the running of all activities according to the provisions, regulations and decisions of the Certifying Board;
 - 3) Conducting day-to-day management, administering and keeping the confidentiality of the certifying documents.

III. THE PROCEDURE TO PROPOSE A REQUEST OF RECOMMENDATION FOR THE ESTABLISHMENT OF CERTIFYING INSTITUTION TO BANK INDONESIA

1. The Certifying Institution that applies the Certifying System must first gain a license from the authority by the recommendation given by Bank Indonesia.
2. The request for a recommendation must be proposed by a manager or officer according to the internal regulations in the concerning institution to Bank Indonesia with the mailing address at: Directorate of Rural Bank Supervision, Jl. M.H. Thamrin No. 2 Jakarta, by enclosing the following documents:

- a. Statutes that has been validated by a notary;
 - b. Curriculum, modules and training course outline;
 - c. Organizational structure;
 - d. Activity planning;
 - e. Written reference from BPR association; and
 - f. Curriculum Vitae of the establisher and managers or the members of the Institution.
3. Bank Indonesia shall not validate a certificate produced by a certifying institution that does not have a recommendation from Bank Indonesia.

IV. CONCLUDING PROVISION

The provisions in this Circular Letter shall come into force on August 13, 2004.

For the public to be informed, it is ordered that this Circular Letter be promulgated in the State Gazette of the Republic of Indonesia.

Kindly be informed.

BANK INDONESIA,

Signed

SRI MULYATI TRI SUBARI
DEPUTY DIRECTOR OF RURAL BANK
SUPERVISION